GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2557
ANSWERED ON:16.03.2007
PAYMENT OF LIC POLICY HOLDERS ON MATURITY
Singh Shri Ganesh Prasad

Will the Minister of FINANCE be pleased to state:

(a) the number of policy holders of Life Insurance Corporat: on of India to whom payments have not been made after the maturity of policy ;

(b) the details of policy and the amount deposits in the account laying inoperative for more than five years, area-wise; (

(c) the action taken thereon;

(d) whether the Government proposes to use the unclaimed j.mount for the welfare of poor people and their developmental programmes ; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRIPAWAN KUMAR BANSAL)

(a): As per information provided by the Life Insurance Corporat on of India (LIC), number of policies outstanding in respect of maturity claims as on 31.3..006 were 11746.

(b): LIC has reported that the cumulative figure of outstanding maturity claims for five years holds no significance as the claims which are outstanding at the end of the financial year are either paid in the next year or written back or remain outstanding.

(c): Vigorous follow up is made by LIC for settling the outstanding claims by way of correspondence and through field personnel etc.

(d) & (e): As per Section 24 of the LIC Act, [956, the Corporation maintains a single fund and any unclaimed amount is part of the fund, 95% of such suiplus fund is allocated to or reserved for the LIC`s policyholders and the remainder is paid to the Central Government after meeting the liabilities of the Corporation.